

HOUSE BILL 1870  
By McMillan

AN ACT to amend Tennessee Code Annotated, Title 56;  
Title 68 and Title 71, relative to prescription drugs.

WHEREAS, I-SaveRx is a prescription drug program implemented by Illinois Governor Rod Blagojevich in October 2004; and

WHEREAS, I-SaveRx allows all Illinois residents to refill prescriptions for one hundred (100) of the most common prescription drugs used to treat chronic illnesses from a network of inspected and approved pharmacies and wholesalers in Canada, the United Kingdom, and Ireland; and

WHEREAS, participants in I-SaveRx are expected to save an average of twenty-five percent (25%) to fifty percent (50%) on the cost of medications, and the program includes provisions to ensure the safety and quality of the prescriptions by requiring the inspection and approval of the pharmacies and wholesalers who participate; and

WHEREAS, since implementation of I-SaveRx, the states of Wisconsin, Missouri and Kansas have joined the program; and

WHEREAS, Tennessee residents also require alternate timely access to safe, high quality and efficacious prescription drugs that are not available in the United States at affordable prices, whether through the I-SaveRx program, some other existing program, or a new program initiated by this state; now, therefore,

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. This act shall be known, and may be cited as, the "Prescription Medicine Fair Pricing Act of 2005".

SECTION 2.

(a) The commissioner of finance and administration shall enter into discussions with the member states of I-SaveRx, with appropriate representatives of companies that import Canadian and other international prescription drugs to the United States, or with other appropriate parties in the commissioner's discretion, in order to establish by January 1, 2006 a memorandum of understanding allowing all Tennessee residents to purchase prescription drugs through the I-SaveRx program or any other similar program, or to establish by January 1, 2006 a new Tennessee international prescription drug cost savings program for Tennessee residents.

(b) The commissioner of health shall convene a working group to develop outreach and promotion tools related to the international prescription drug cost savings program in which the state of Tennessee is participating or which is established by the commissioner of finance and administration.

(c) Members of the working group shall include the commissioner of human services or the commissioner's designee, the executive director of the Tennessee commission on aging and disability or the executive director's designee, and any other appropriate parties within the discretion of the commissioner of health, including interested consumers, advocates, and providers appointed by the commissioner of health.

(d) Activities of the working group shall include developing communication tools such as enrollment forms, explanatory brochures, a website, and promotional magnets and posters; directing outreach and material distribution to all health care providers and relevant health care associations; and mailing international prescription drug cost savings program information directly to all Tennessee residents and, especially, beneficiaries of TennCare and other public programs that include payment for pharmaceuticals.

SECTION 3. Tennessee Code Annotated, Title 56, Chapter 7, Part 26, is amended by adding the following language as a new, appropriately designated section:

§ 56-7-2607.

(a) Notwithstanding any other provision of law to the contrary, any individual, franchise, blanket, or group health insurance policy, medical service plan contract, hospital service corporation contract, hospital and medical service corporation contract, fraternal benefit society, health maintenance organization, preferred provider organization, or managed care organization which provides hospital, surgical, or medical expense insurance that offers coverage for prescription drugs shall offer and make available coverage under any such policy, contract, or plan for prescription drugs purchased in Canada, Ireland or the United Kingdom and used in Canada, Ireland or the United Kingdom or reimported legally, or purchased through any state operated international prescription drug cost savings program, on the same benefit terms and conditions as prescription drugs purchased in this country. For drugs purchased by mail or through the Internet, the plan may require accreditation by the Internet and Mailorder Pharmacy Accreditation Commission (IMPAC) or any other similar organization.

(b) The provisions of this section are applicable to all health benefit policies, programs, or contracts which are offered by commercial insurance companies, nonprofit insurance companies, health maintenance organizations, preferred provider organizations, and managed care organizations, and which are entered into, delivered, issued for delivery, amended, or renewed after January 1, 2006.

(c) Reimbursement for imported prescription drugs pursuant to this section shall be determined according to the same formula by which charges are developed for reimbursement for domestic prescription drugs. Such coverage shall have durational

limits, dollar limits, deductibles, copayments, and coinsurance factors that are no less favorable than for the same prescription drug purchased in the United States.

(d) Nothing in this section shall be construed to prohibit any insurer from providing medical benefits greater than or more favorable to the insured than the benefits established pursuant to this section.

(e) The provisions of this section shall not apply to short term travel policies, short term nonrenewable policies of not more than six (6) months' duration, accident only policies, limited or specific disease policies, contracts designed for issuance to persons eligible for coverage under Title XVIII of the Social Security Act, known as Medicare, or any other similar coverage under state or governmental plans, including the TennCare program.

SECTION 4. This act shall take effect upon becoming a law, the public welfare requiring it.